

Michael O. Leavitt Governor Kathleen Clarke Executive Director Lowell P. Braxton Division Director 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

October 23, 2000

Anthony S. Bates Mine Reclamation Manager Umetco Minerals Corporation P.O. Box 1029 Grand Junction, Colorado 81502

Re: Approval of Post-Mine Use of Shaft as Water Well, Umetco Minerals Corporation, Deremo-Peterson Mine, M/037/025, San Juan County, Utah

Dear Mr. Bates:

The Division has reviewed your October 16, 2000 letter, regarding the proposed post-mine land use for the unlined ventilation raise which has been converted to a water well. The well, referred to as the section 2.2 well, is located on private land within the Deremo-Peterson large mine permit area. More specifically, the well is located approximately 850 feet north of the southwest corner and 200 feet east of the southwest corner of section 2, Township 33 South, Range 26 East, SLBM.

Given the beneficial post-mine land use of this feature, and the letter from Mr. Jim Butt accepting responsibility for the well, the Division will approve of this post-mine land use. The Division will not require Umetco to remove or reclaim this well structure as part of final reclamation of the Deremo-Peterson Mine. Please note that Umetco, or Mr. Butt, may also require approval from the Division of Water Rights for this continued use of the well. For confirmation in this regard, please contact the Division of Water Rights, Price Office at (435) 637-1303.

The Division appreciates Umetco's ongoing efforts and continued cooperation in reclamation of Umetco's mine sites. Please contact me or Anthony Gallegos of my staff, if you have any questions regarding this letter.

Sincerely,

D. Wayne Hedberg

Permit Supervisor

Minerals Reclamation Program